

sovereignty of domestic agricultural policy ends and where GATT obligations to liberalized trade flows begin. In the longer term, the proliferation of exceptions to GATT articles and special waivers that allow quantitative import restrictions to agricultural products under certain conditions runs counter to the general GATT objective of trade liberalization and establishes numerous precedents for protectionist agricultural policy.

Agricultural policy is unlikely to be exempted from bilateral trade negotiations; indeed, strong external pressures and sound policy reasons exist for including it. First, in response to the GATT's continued ineffectiveness in this area, current efforts to make agricultural trade a central part of the forthcoming new round of GATT negotiations indicate some international consensus that agricultural-trade liberalization can no longer be ignored. One such effort is the Trade Mandate Study undertaken by the Organisation for Economic Co-operation and Development (OECD).¹ In addition, the current U.S. administration has a strong commitment to liberalize multilateral agricultural-trade arrangements, particularly those involving the EC and Japan. The current U.S.-EC conflict over agriculture stems from a desire by the United States to constrain EC export subsidies and other elements of what it sees as unfair international competition; the trade issue with Japan primarily concerns improving international access to that country's highly protected domestic market. In other words, despite earlier U.S. demands for exemption from, and the waiver of, certain GATT obligations, and despite current protectionist measures being argued and adopted within Congress, the United States is increasingly committed not to ignore agricultural trade and to be consistent across countries, if not commodities, in pursuing more liberal agricultural trade.

Second, a Canadian-U.S. trade agreement that includes agriculture could be a catalyst for multilateral negotiations which would reduce